

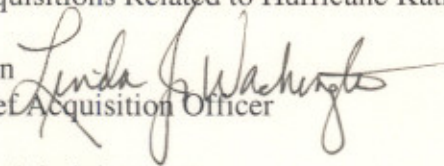


**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Memorandum

Subject: ACTION: U.S. Department of Transportation's Stewardship Action Plan for Acquisitions Related to Hurricane Katrina Date: SEP 26 2005

From: Linda J. Washington  Linda J. Washington
Acting Deputy Chief Acquisition Officer Reply to
Attn. of:

To: Heads of Operating Administrations

Supporting the recovery and restoration due to Hurricane Katrina requires an action plan to ensure that taxpayer's dollars are prudently spent. Accordingly, internal controls pertaining to the identification of requirements, approvals, and responsibility of acquisition personnel have been developed and are attached. Because of the urgency of this requirement, the Plan is effective September 27, 2005.

The Federal Aviation Administration (FAA) has voluntarily agreed to comply with this Plan, but adapted to comply with the FAA's Acquisition Management System.

Please ensure that all personnel involved in the acquisition process receive this Plan as soon as possible. If you have any questions or need assistance in implementing the Plan, please contact the Office of the Senior Procurement Executive at (202) 366-4263.

Attachment

U. S. Department of Transportation's Stewardship Action Plan for Acquisitions Related to Hurricane Katrina

I. Purpose. To provide an action plan for ensuring prudent stewardship of taxpayer funds for current and future acquisitions supporting the rescue, recovery and reconstruction operations after Hurricane Katrina.

II. Applicability. This Plan applies *to all offices involved in the acquisition function for acquisitions* which have a clear and direct relationship *to the support of the Katrina effort*, including work under existing contracts.

III. Emergency Procurement Authority.

A. The U.S. Department of Transportation (DOT) has provided the following procurement flexibilities that support the Katrina effort. The websites listed should be viewed frequently for any changes.

1. Memorandums entitled, Increased Procurement Authority Based On Contingency Operations, of September 8, 2005, and Class Justification for Other Than Full and Open Competition of September 2, 2005. Both memorandums can be viewed at http://www.dot.gov/ost/m60/emergency_authority/ and are effective until rescinded by the Senior Procurement Executive (SPE).

2. DOT's Emergency Contracting Kit which can be viewed on DOT's website at <http://www.dot.gov/ost/m60/kitweb.htm>.

B. DOT has not raised and is not expected to raise the micro-purchase threshold above the current \$15,000 contingency threshold.

IV. Definition.

"Significant acquisition" means the following acquisitions awarded to support *the Katrina effort*:

Any sole source acquisition over \$1 million;

Any acquisition over \$10 million;

Procurements using the authority of the Class Justification for Other Than Full and Open Competition signed by the SPE on September 2, 2005, and located at http://www.dot.gov/ost/m60/emergency_authority/JOTFOC.pdf;

Micro-purchases above \$2500 to \$15,000 (except for construction, which is \$2,000);

Simplified Acquisitions between \$100,000 and \$250,000; and,

Simplified Acquisitions under the Test Program for Certain Commercial Items between \$5 million and \$10 million.

V. Oversight. The oversight actions listed below continue until otherwise notified by the SPE. As situations warrant, the below may be modified or additional actions required. Table I, Submittal Requirements Pertaining to Hurricane Katrina Support, provides a summary of the actions and due dates required in this Plan.

A. **Working Groups.** Working groups shall be established to review "significant acquisitions" awarded before September 27, 2005, to determine if they need to be modified, terminated or negotiated further to ensure they are in the taxpayers' interest. This review shall be completed by October 14, 2005, and a summary of the outcome submitted to the SPE by October 21, 2005. See paragraph VII.C. for further guidance.

B. **Deviations.** It is not expected that deviations from the Transportation Acquisition Regulation (TAR), Transportation Acquisition Manual (TAM) or other Departmentwide acquisition processes or procedures will be necessary to support Katrina activities. When an Operating Administration (OA) determines that it is necessary to grant an individual deviation from any acquisition requirement, a copy of the deviation, along with how the deviation will impact any internal OA controls, shall be immediately transmitted to the Senior Procurement Executive (SPE). This includes internal processes such as the Procurement Request process or acquisition planning.

C. **Investment Reviews.** To ensure compliance with current DOT and internal OA guidelines for Capital Planning and Investment Control (CPIC), "significant acquisitions," as defined herein, (including non-information technology acquisitions) that require cost, schedule and performance parameters should be reviewed by OA Investment Review Boards (IRBs) before award if they represent capital investments (including construction). Cost, schedule and performance requirements for "significant acquisitions" should be reviewed by OA IRBs regularly to evaluate performance and approve corrective actions if variances exceed CPIC thresholds. See <http://communities.dot.gov/uploadedFiles/0311EDJ65623.doc> for DOT CPIC guidelines.

D. **Reports.** The following reports are to be submitted to the SPE:

1. A bi-weekly report of all increases in purchase card limits due to Katrina support efforts shall be provided by October 7, 2005. This report shall include limit increases made prior to September 27, 2005. See paragraph VII.F. In addition, a log shall be maintained of all micro-purchases over \$2500 that supports Katrina activities.

2. A bi-weekly report on acquisitions awarded to support Katrina activities. The report shall be in two parts: one part that focuses on “significant acquisition” actions and a second part that includes awards other than those defined as “significant acquisition” actions (see Attachments A and B).

E. **Approvals.** Changes in the approval levels for awarding actions to support the Katrina effort have been established to provide increased oversight. See paragraph VII.

VI. Managing Contract Actions. Acquisitions to support the Katrina effort require special attention to ensure the taxpayer’s dollars are spent wisely and the Government is receiving the supplies and services purchased. Regardless whether the action is internal to the OA or an intragency or interagency acquisition, the procurement and program officials, in partnership with their applicable financial office, are to ensure:

A. Funds are available and appropriate financial management controls are in place;

B. Compliance with the current OA review and approval process for procurement requests including any review by program managers/requiring officials, acquisition officials, and financial personnel;

C. Acquisitions are performance based to the greatest extent possible and include appropriate cost, schedule and performance metrics;

D. Acquisitions approved to support Katrina activities use an appropriate acquisition strategy and incorporate necessary program management tools and techniques; and,

E. The requirements of the Chief Financial Officer’s Plan are met. The Plan will be disseminated to acquisition and financial personnel and other stakeholders. The Plan includes financial related procedures including pre-approving the expenditure of funds for the Katrina effort when one agency is expected to be reimbursed by another agency.

VII. Responsibilities. The following individuals play a critical role in the implementation of this Plan. To support this role, the OA may establish internal procedures to expedite these efforts such as permitting electronic approvals of relevant documents.

A. Contracting Officers.

1. For “significant acquisitions,” contract files are to be documented specifying the product or service being procured and its relationship to support the Katrina effort.

2. Ensure their Certificate of Appointment covers the threshold amount of any award to be made. Otherwise, an increase in the warranted amount must be made by the appointing official.

3. Approve any micro-purchase above \$2500 prior to award.
4. Work closely with their Contracting Officer Technical Representatives (COTRs) to ensure work on Katrina activities are within the contract scope and meet the performance requirements of the contract.

B. Chief of the Contracting Office (COCO).

1. Approve for award:
 - a. Simplified Acquisitions between \$100,000 and \$250,000;
 - b. Simplified Acquisitions under the Test Program for Certain Commercial Items between \$5 million and \$10 million; and,
 - c. Acquisitions under \$10 million using the Class Justification for Other than Full and Open Competition under FAR 6.302-2 dated September 2, 2005.
2. The COCO may delegate this authority to one individual with the requisite knowledge and skills who is other than the contracting officer awarding the action.

C. OA Head of the Contracting Activity (HCA).

1. Submit a bi-weekly report beginning October 7, 2005, on all acquisitions awarded to support the Katrina effort to the SPE (M-60) at david.litman@dot.gov. The report is to be in an Excel spreadsheet format in accordance with Attachments A and B.
2. Approve for award:
 - a. Sole source acquisitions over \$1 million up to and including \$10 million; and,
 - b. Any procurement over \$10 million (except for acquisitions using other than full and open competition when the approving official is the SPE (see FAR 6.304(a)(4)).
3. The HCA may delegate their approval authority to one individual with the requisite knowledge and skills. This delegation must be consistent with FAR, TAR and TAM approval authorities (e.g., only an SES level position can approve justifications for other than full and open competition between \$10 million and \$50 million).

4. Establish a working group to review “significant acquisitions” awarded in support of Katrina in accordance with paragraph V of this Plan. The working group, as a minimum, shall consist of the COCO, legal counsel, the Chief Financial Officer, and as necessary, the Chief Information Officer and an official from the Office of the Inspector General.

5. Certify to the SPE by October 1, 2005, that for the foreseeable future, the HCA has sufficient contracting personnel, training, and organization in place to fulfill mission requirements related to Katrina activities. If this condition changes or the HCA cannot make this certification, the HCA shall notify the SPE (M-60) immediately. See paragraph IX for additional requirements.

6. Exercise overall responsibility for OA acquisitions in response to Katrina. Ensure OA strategies, processes and documentation requirements are in place to exercise increased oversight of all acquisitions related to Katrina and that other OA officials’ responsibilities are being appropriately carried out.

D. Requiring Official, Program Manager, and COTR.

1. When performance of a contract, delivery order, task order or purchase order for Katrina support is completed, provide a statement to the contracting officer stating that all contract deliverables have been received and services have been performed under the contract. This shall be submitted within 15 days after all deliveries and performance requirements have been met.

2. Work closely with their contracting officer to ensure Katrina activities are within the contract scope and performance is in accordance with contract requirements.

E. Purchase Card Holder.

1. Obtain contracting officer approval for any micro-purchase above \$2500 using the purchase card.

2. Maintain a log of micro-purchases over \$2500 in support of Katrina activities.

F. Agency and OA Program Coordinators for Purchase Cards.

1. Provide to the HCA a bi-weekly report of all increases in purchase card limits as a result of Katrina activities including monthly limits and single purchase limits. The first report is due October 7, 2005, and shall include any limit increases made to support the Katrina effort including any made prior to September 27, 2005.

2. Review purchase card transactions on a daily basis to evaluate purchases over \$2500.

3. The DOT Agency Program Coordinator shall work with the purchase card provider to develop methods for flagging purchases related to Katrina or by purchase card holders with increased authority in the bank's automated system.

VIII. Additional Guidance. DOT's Chief Financial Officer will be disseminating a Stewardship Plan for the Katrina effort. This Plan is applicable to all acquisition personnel.

IX. Contingency Contracting Personnel. To determine any training or developmental activities needed to support activities for the Katrina effort, the HCA shall review existing and future competencies required of the acquisition workforce. A Plan listing the competencies needed and how they will be met shall be submitted to the SPE by October 28, 2005.

X. Effective Date. This Plan is effective September 27, 2005.

TABLE I
SUBMITTAL REQUIREMENTS PERTAINING TO HURRICANE
KATRINA SUPPORT

SUBMITTAL REQUIREMENTS	DUE DATE to the SPE	RESPONSIBLE OFFICIAL
Certify to the Sufficiency of Contracting Personnel, Training and Organization	October 1, 2005	HCA
Report of Purchase Card Limit Increases	October 7, 2005 and Bi-Weekly Thereafter	Agency and OA Purchase Card Program Coordinator
Report* of Acquisition Actions to Support Katrina (Attachments A and B)	October 7, 2005 and Bi-weekly Thereafter	HCA
Summary of Working Group Outcomes	October 21, 2005	HCA
Contingency Contracting Personnel Plan	October 28, 2005	HCA

*Negative responses are required.